

Message Text

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21

ACTION EA-06

INFO OCT-01 SS-14 ISO-00 L-01 INR-05 PM-03 H-01 PRS-01

SP-02 MC-01 EB-03 NSC-05 NSCE-00 CIAE-00 DODE-00

ACDA-10 OMB-01 /054 W

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R 280625Z JUL 76

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 5851

AMEMBASSY SEOUL

C O N F I D E N T I A L JAKARTA 9834

LIMDIS

DEPARTMENT FOR EA/IMS

EO 11652: GDS

TAGS: MASS PARM ESTC

SUBJECT: TACOMA BOATBUILDING COMPANY

1. IT HAS COME TO EMBASSY'S ATTENTION THAT TACOMA BOAT-BUILDING COMPANY HAS A JOINT VENTURE ARRANGEMENT WITH KOREAN SHIPYARD KNOWN AS KOREA-TACOMA INDUSTRIES, LTD. (KTMI). THIS ORGANIZATION HAS BEEN VEHICLE FOR GOK TO SEEK TO SUPPLY PATROL BOATS TO INDONESIAN NAVY IN LIEU OF FMS-FINANCED TRANSACTION FROM TACOMA BOAT OF U.S.A.

2. WE ARE CONCERNED THAT IF KOREAN TRANSACTION GOES FORWARD THAT FOLLOWING ACTIONS OR PROBLEMS COULD ARISE. TACOMA BOATBUILDING JOINT VENTURE, WE UNDERSTAND, HAS BEEN APPROVED BY STATE DEPARTMENT OFFICE OF MUNITIONS CONTROL FOR EXPORT OF TECHNOLOGY AND OTHER CONTROLLED INFORMATION. IT IS POSSIBLE, THEREFORE, THAT U.S. EXPORT LICENSING CONTROLS UNDER MUNITIONS CONTROL WOULD BE VIOLATED BY THE SALE OF VESSELS BY KTMI TO THIRD PARTY WITHOUT LICENSING APPROVAL OF THE APPROPRIATE U.S. AUTHORITIES. SECONDLY THERE IS STRONG LIKELIHOOD THAT TACOMA BOAT COULD BRING

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COURT ACTION EITHER IN THE U.S. OR KOREA AGAINST THEIR

JOINT VENTURE PARTNERS FOR VIOLATION OF THE JOINT VENTURE AGREEMENT.

3. WITHOUT GOING INTO ECONOMIC AND COMMERCIAL CONSIDERATIONS, WHICH WOULD BE FACTOR ON PART OF TACOMA BOAT, IT IS EMBASSY'S JUDGEMENT THAT IF MUNITIONS CONTROL ASPECTS ARE ACCURATE THAT U.S. FOREIGN POLICY CONSIDERATIONS WOULD BECOME MAJOR ELEMENT IN THIS MATTER.

4. IT WOULD BE APPRECIATED, THERFORE, IF EMBASSY SEOUL AND DEPARTMENT COULD ADVISE, WITHOUT AT THIS TIME TALKING TO KOREANS OR TACOMA, ON POSSIBLE RAMIFICATIONS OF KTMI SALE TO INDONESIAN OF SUVH PATROL BOATS. WE FEEL IT IMPORTANT WE IDENTIFY U.S. NATIONAL INTERESTS BEFORE POSSIBLE LEGAL TANGLE REACHES CRITICAL STAGE.
NEWSOM

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Message Attributes

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